

May 28, 2014

AMEND BOARD REPORT 13-1120-PR11
**AUTHORIZE FIRST RENEWAL OF TWO AGREEMENTS WITH QUANTUM CROSSINGS, LLC FOR
 TELECOMMUNICATIONS WIRING/CABLING, NON-MITEL VOICE SYSTEM MAINTENANCE,
 TECHNICAL PROGRAMMING AND SUPPORT SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the first renewal of two agreements with Quantum Crossings, LLC ("Quantum") to provide telecommunications wiring/cabling, non-Mitel voice system maintenance, technical programming and support services to the Board. The first agreement being renewed ("Contract 1") is for basic maintenance services that may be eligible for discounts to be funded by the School and Libraries Division of the Universal Service Administration Company ("SLD/USAC") as part of the E-Rate program. The total amount for the renewal of Contract 1 shall not exceed \$1,128,646.00. of which approximately \$922,067.00 is the discounted portion of eligible E-Rate services or products to be funded by SLD/USAC. The Board shall only be responsible for the non-discounted portion of E-Rate eligible services and products and the cost of ineligible services and products, which shall not exceed \$206,581.00. The Board is authorized to pay approved invoices up to the not-to-exceed amount and will utilize the Billed Entity Applicant Reimbursement (BEAR) process, as defined below, if E-Rate funding becomes available to recover any costs that may be eligible for Federal subsidies under the E-Rate Program.

The second agreement being renewed ("Contract 2") is for eligible and ineligible services that are not considered basic maintenance. The total amount for the renewal of Contract 2 shall not exceed \$1,351,546.00. ~~of which approximately \$276,182.00 is the discounted portion of eligible E-Rate services or products to be funded by SLD/USAC. The Board shall only be responsible for the non-discounted portion of E-Rate eligible services and products and the cost of ineligible services and products, which shall not exceed \$1,075,364.00. No Board funds will be disbursed if E-Rate funding is denied except for Priority 2-Basic Maintenance Services as defined by SLD/USAC. Basic Maintenance Services are those that are necessary to the continuing operation of eligible equipment, including repair and upkeep of eligible hardware, wire and cable maintenance, basic technical support and configuration changes.~~ The Board is authorized to pay approved invoices up to the not-to-exceed amount and will utilize the Billed Entity Applicant Reimbursement (BEAR) process, as defined below, if E-Rate funding becomes available to recover any costs that may be eligible for Federal subsidies under the the E-Rate Program.

Written renewal agreements are currently being negotiated. No services shall be provided by Quantum and no payment shall be made to Quantum prior to the execution of the renewal agreements. The authority granted herein for each agreement shall automatically rescind in the event such renewal agreement is not executed within 90 days of the date of this Board Report. Information pertinent to these options is stated below.

This May 2014 amendment is necessary to approve increases in the Board-responsible payment amounts for both Contract 1 and Contract 2 due to the uncertainty in E-Rate Funding. The Billed Entity Applicant Reimbursement (BEAR) process is the mechanism used by E-Rate applicants to request reimbursement for approved services for which the applicant has already paid the full pre-discounted amount. Written amendments to the renewal agreements are required.

Specification Number : 10-250045

Contract Administrator : Sinnema, Mr. Ethan Cedric / 773-553-3295

VENDOR:

- 1) Vendor # 32334
QUANTUM CROSSINGS, INC.
111 EAST WACKER DRIVE, SUITE 990
CHICAGO, IL 60601
Lawrence Knott
312 467-0065

USER INFORMATION :

Contact: 12510 - Information & Technology Services
125 South Clark Street - 3rd Floor
Chicago, IL 60603
Tidmarsh, Mr. Lachlan W.
773-553-1300

Contact: 12510 - Information & Technology Services
125 South Clark Street - 3rd Floor
Chicago, IL 60603
Zalewski, Miss Kathryn Lucille
773-553-3060

ORIGINAL AGREEMENT:

The original Agreements (authorized by Board Report 10-1117-PR9 as amended by Board Report 11-0126-PR8) in the aggregate amount of \$7,370,291.90 were for a term commencing on July 1, 2011 and ending June 30, 2014, with the Board having three options to renew for one year each. The original agreements were awarded on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of each agreement is being renewed for one year commencing July 1, 2014 and ending June 30, 2015.

OPTION PERIODS REMAINING:

There are two option periods for one year each remaining.

SCOPE OF SERVICES:

Under the renewal of Contract 1, Quantum will continue to provide maintenance of the Board's voice/data cabling infrastructure, non-Mitel voice systems, voice mail systems and onsite break/fix repair services, as well as basic maintenance technical programming for all voice systems. This will include Avaya and Mitel certified technical programmers as well as certified telecommunications field technicians to support approximately six hundred (600) Board locations throughout the City of Chicago. Under the renewal of Contract 2 covering ~~eligible and ineligible~~ services that are not considered basic maintenance, Quantum will continue to provide support services including non-basic MAC requests, electrical requests, new installations, advanced technical programming and support, call center programming and support, telephone line appearances, handset placement and programming, telecommunications invoice analysis and processing, inventory database administration and support and web-based database application services.

DELIVERABLES:

During the renewal of Contract 1, Quantum will provide basic maintenance of telecommunications wiring/cabling infrastructure, voice systems, hardware, software, applications, voice mail systems and all associated components including, but not limited to: repair/replacement/maintenance of the Board's voice/data cabling infrastructure, repair/replacement of voice systems, system equipment, cards and components, onsite break/fix services, certified technical programmers and union field service technicians, systems programming, voice mail programming and basic maintenance, extending and testing local exchange carrier (LEC) services as needed, service Level Agreement (SLA) compliance, pro-active issue resolution with incident tracking system, documented incident diagnosis, root cause analysis and remediation/problem management, Board accessible documentation of all processes and procedures, and reporting as requested by the Board.

During the renewal of Contract 2, Quantum will provide wiring/cabling and telecommunications support services that are not considered basic maintenance including: installation of new wiring/cabling, advanced technical support services, Call Center programming and support, electrical and power services, moves, adds and changes (MAC) requests, maintain and/or collect and replace damaged telephone systems and components with new and/or refurbished equipment or software, complete system and component installations for ineligible sites, new construction sites and/or new school or department initiatives, re-programming of existing systems to accommodate new school or department initiatives, technical support for ineligible voice systems, handset placement, telecommunications invoice analysis and processing, inventory database administration and support, and Web-based database application programming, maintenance and support.

OUTCOMES:

Quantum's services shall result in the Board having telecommunications wiring/cabling maintenance and installation, non-Mitel voice system maintenance and installation, technical programming and support services through fiscal year 2015.

COMPENSATION:

During the renewal of Contract 1, Quantum shall be paid a total not to exceed \$1,128,648.00. ~~but the Board shall only be responsible for the non-discounted portion of E-Rate eligible services and/or products, which shall not exceed \$206,581.00.~~ The Board is authorized to pay approved invoices up to the not-to-exceed amount and will utilize the BEAR process if E-Rate funding becomes available to recover any costs that may be eligible for Federal subsidies under the E-Rate Program.

During the renewal of Contract 2, Quantum shall be paid a total not to exceed \$1,351,546.00. ~~but the Board shall only be responsible for the non-discounted portion of E-Rate eligible services and/or products and the cost of ineligible services and/or products, which shall not exceed \$1,075,364.00. No Board funds will be disbursed if E-Rate funding is denied except for Priority 2 Basic Maintenance Services as defined by SLD/USAC.~~ The Board is authorized to pay approved invoices up to the not-to-exceed amount and will utilize the BEAR process if E-Rate funding becomes available to recover any costs that may be eligible for Federal subsidies under the E-Rate Program.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written option documents and amendments. Authorize the President and Secretary to execute the option documents and amendments. Authorize the Chief Information Officer to execute all ancillary documents required to administer or effectuate the option agreements.

AFFIRMATIVE ACTION:

This contract is in full compliance with the goals required by the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts.

The M/WBE participation goals for this contract are 25% total MBE and 5% total WBE participation.

The Vendor has identified the following participation:

Total MBE 94%

Quantum Crossing, Inc.
111 E. Wacker Drive, Suite 990
Chicago, Illinois 60601

Total WBE 6%

Professional Telecommunications
28 E. Jackson Blvd., Suite 1020
Chicago, Illinois 60604

Thredpartners
3625 N. Seeley Ave.
Chicago, Illinois 60618

Phoenix Business Solutions
12543 S. Laramie Ave.
Alsip, Illinois 60803

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Contract 1

Fund: 115

Information and Technology Services, 12500

CPS Portion: ~~\$206,581.00~~, FY15 \$1,128,648.00

E-Rate Portion: ~~\$922,067.00~~, FY15

Contract 2

Fund: 115

Information and Technology Services, 12500

CPS Portion: ~~\$1,075,364.00~~, FY15 \$1,351,546.00

E-Rate Portion: ~~\$276,182.00~~, FY15

Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



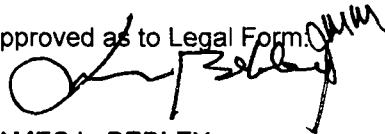
SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



BARBARA BYRD-BENNETT
Chief Executive Officer

Approved as to Legal Form:



JAMES L. BEBLEY
General Counsel